

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2284 - HB 2478

February 17, 2018

SUMMARY OF BILL: Prohibits industrial development corporations within Loudon County from negotiating any payment in lieu of tax (PILOT) agreements for less than the county ad valorem taxes due on the property, except in certain circumstances.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Due to multiple unknown factors, a precise recurring increase in local government revenue for Loudon County, if any, cannot reasonably be determined.

Assumptions:

- There are four industrial development corporations within Loudon County.
- The proposed language would limit such corporations from negotiating PILOT agreements for less than the amount the county would collect on ad valorem taxes, unless the corporation is a joint corporation organized by the county and one or more municipalities, the corporation has entered into an interlocal agreement with the county for PILOTs, or the corporation has received written approval from the county mayor.
- Due to multiple unknown factors such as how many industrial development corporations within Loudon County are currently negotiating such PILOT agreements, the terms of such agreements, and the extent of any ad valorem taxes lost by Loudon County in the absence of this legislation, a precise recurring increase in local government revenue for Loudon County, if any, cannot reasonably be determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Krista M. Lee, Executive Director

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